



United States
Department of
Agriculture

March 2004

Farm Service Agency

Fact Sheet

Conservation Reserve Program Continuous Signup

Montana State Producer Handbook



Authorization

The Farm Security and Rural Investment Act of 2002, as amended, authorizes the Conservation Reserve Program (CRP), which is implemented through the Department of Agriculture's (USDA) Commodity Credit Corporation (CCC) by the Farm Service Agency (FSA).

Overview

CRP is a voluntary program that offers annual rental payments and cost-share assistance to establish long-term resource-conserving covers on eligible land. CCC makes annual rental payments based on the agriculture rental value of the land and provides cost-share assistance in an amount equal to not more than 50 percent of the participant's costs in establishing approved practices. The duration of contracts are from 10 to 15 years.

Continuous CRP Signup

Continuous signup provides management flexibility to farmers and ranchers to implement certain high-priority conservation practices on eligible land.

Offers are automatically accepted provided the acreage and producer meet certain eligibility requirements. The per-acre annual rental rate may not exceed CCC's *maximum payment amount*. While acceptance is not determined by a competitive offer process, producers may elect to receive an

amount less than the maximum payment rate.

Additional Incentives Offered

Additional incentives are being offered to encourage producers to participate in the CRP continuous signup.

Signup

Producers offering eligible land at their local FSA office for the continuous CRP signup may be eligible for certain enhancements.

Key Provisions

Key provisions of the continuous signup enhancements include:

- An up-front CRP Signing Incentive Payment (CRP-SIP) of \$100 to \$150 per acre (depending on contract length) will be provided to eligible participants who enroll selected practices. This one-time payment will be made after the contract is approved and all payment eligibility criteria are met.
- A Practice Incentive Payment (PIP) equal to 40 percent of the eligible installation costs will be provided to eligible participants enrolling certain practices. This one-time payment will be issued after the practice is installed, eligible costs are verified, and other

payment eligibility criteria are met.

- New rental rates have been established for certain marginal pastureland to better reflect the value of such lands to farmers and ranchers.
- The CRP-SIP and PIP funding are limited up to \$100 million in FY 2000 and \$125 million in FY's 2001 and 2002.

Eligible Land and Practices

To be eligible under continuous signup, land must first meet the basic CRP eligibility requirements.

Acceptable land is:

1. Cropland that was planted or considered planted to an agricultural commodity 4 of the 6 most recent crop years (including field margins), which is also physically and legally capable of being planted in a normal manner to an agricultural commodity; or
2. Marginal pastureland that is suitable for use as a riparian buffer to be planted to trees.

The acreage must also be determined by USDA's Natural Resources Conservation Service (NRCS) to be eligible and suitable for any of the following practices:

- Riparian buffers;
- Filter strips;
- Grassed waterways;
- Shelter belts;
- Field windbreaks;

- Shallow water areas for wildlife;
- Establishment of permanent vegetative cover (contour grass strips);
- Establishment of permanent vegetative cover (contour grass strips), on terraces;
- Establishment of permanent vegetation to reduce salinity;
- Establishment of permanent salt tolerant vegetative cover;
- Wetland restoration;
- Cross wind trap strips;
- Farmable wetlands;
- Farmable wetland buffer;
- Marginal pastureland wildlife habitat buffer;
- Marginal pastureland wetland buffer; and
- Living snow fences.

Producers may enroll entire fields as buffers through the continuous sign-up when more than 50% of the field is eligible and farming is infeasible on the remainder of the field. Payments on the remaining acreage are limited to general sign-up rates.

Producer Eligibility Requirement

If a tenant, the producer must be a participant with an eligible owner or operator.

Rental Rates

CCC bases rental rates on the average value of dryland cash rent or the cash rent equivalent for the past 3 years and adjusts rates to reflect the relative productivity of soils within each county. The maximum CRP rental rate is calculated in advance of enrollment.

In addition, CCC offers additional financial incentives of up to 20 percent of the soil rental rate for field windbreaks, grass waterways, filter strips, and riparian buffers. An additional 10 percent may be added to the soil rental rate for land located within EPA-designated wellhead protection areas. A per-acre payment rate may also be added for maintenance of eligible practices.

Offers for rents greater than the maximum rental rate are not considered, and the maximum rental rate, as a matter of general applicability, is not appealable. Only determinations by USDA officials regarding soil type and related soil type acreage may be appealed.

Cost-Share Payments

In addition to the payments described above, CCC will pay up to 50 percent of the eligible cost of establishing a permanent cover.

Contract Effective Date

The effective date of the CRP contract is the first day of the month following the month of approval. In certain circumstances, producers may defer the effective date for up to 6 months.

If the acreage is currently under CRP contract and is within 1 year of the scheduled expiration date, the effective date is the October 1 following the expiration date.

Length of Contracts

Contracts are for no less than 10 and no more than 15 years in duration.

Cooperating Agencies

The CRP is administered by USDA's FSA with assistance from NRCS,

the Cooperative State Research, Education, and Extension Service, State agencies, and local soil and water conservation districts. Producers can find out program details and offer acreage for enrollment at their local FSA or NRCS office, both of which are listed in telephone books under "United States Government, U.S. Department of Agriculture."

For Additional Information

Additional information may be obtained at local FSA offices or through the Montana FSA Web site at <http://www.fsa.usda.gov/mt>

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.